

Minutes

Seattle City Employees' Retirement System
Regular Board Meeting

Wednesday, March 2, 2011 – 9:05 a.m.
Pacific Building, 9th Floor

Present: ☒ Darwyn Anderson ☒ Jean Godden ☒ Robert H. Harvey, Jr.
 ☒ Glen M. Lee ☒ Mary Norris ☒ Lou Walter

Absent: Rod Rich

Others Present: John Masterjohn, CCU; Bill Kruller, ARSCE; Steve Viney, Retiree; Kory Hoggan, Moss Adams; Peter Robison, Bloomberg; Mike Monaco, Esq., Song Mondress; Carlton Seu, Esq., City Attorney's Office; Mike Akiyama, SCERS; Tony Smith, SCERS, Cecelia M. Carter, SCERS

Public Comment:

- *there being none -*

Minutes:

Information: Provided in the Retirement Board packet are the minutes from the February 2, 2011 Retirement Board Regular Meeting. (*Attachment #1 – Board Only*)

Motion: Upon motion by Darwyn Anderson, seconded by Bob Harvey, the Retirement Board approves the minutes from the February 2, 2011 Retirement Board Regular Meeting.

Ratification of Retired Payroll, Office Payroll, Other Payments and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 9,111,466.14
Beneficiary	\$ 911,757.52
Disability	\$ 76,538.78
Pension Payroll – PPE February 28, 2011	<u>\$ 10,099,762.44</u>

Office Payroll – PPE January 4th & 18th, 2011	\$ 45,290.99
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Vouchers Processed – January 31, 2011

\$118,297.90*

***Expert and Consultant Services – \$21,981.80**

***Investment Management Fees – \$0**

***Interdepartmental Charges - \$78,878.50**

***Miscellaneous - \$17,437.68**

Immediate Withdrawals of Contributions for the month of February 2011:

MEMBER	Department Name	Position
Feather, Mary Kay	SPL	Lib Assoc 1
Capek, Kimberly	Personnel	Acctg Teck 11
Katzel, Ludia A	SPL	Librarian
Leick, Carol K	Parks	Mtg Dev Coord
Richstein, Larry D	Sea Center	Sound Operator
Langston, Jasmine L	SPU	Personnel Spec Asst
Langi, Amelia F	Parks	Labor
Gebremicael, Yemane B	DON	Strategic Advisor
Grabicki, Thomas	PPN	Asst Exec Sec Medical
Kahler, Ronald L	SPU	Shop Ops Supervr
Qualis, Whitney	Parks	Rec Attendant
Tarabochia, Michael	FFD	Sr. Auto Mechanic
Griffiths, Jennifer R	Parks	Lifeguard
Killebrew, Nicole S	Parks	Education Assistant
Tschida, Stephanie G	Law	Strategic Advisor 1
Datz, Nicholas J	FAS	Contract Anal
Ellis, Caleb D	SDOT	Recruiter
Zidow, Molly M	Sea Center	Sr. Event Svc Rep
Hazard, Rebecca	City Light	Meter Reader

19 Withdrawals for a total of: \$364,591.46

Motion: Upon motion by Lou Walter, seconded by Mary Norris, the Board ratifies the Retiree Payroll, Office Payroll, other Payments and Withdrawals.

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

Retiree	RetireDt	Years	Days	DeptName	JOBTITLE	Age
Dunn,Elaine M	19-Jan-11	16	116	Parks	Rec Attendant	64
Eng,Rodney S	02-Feb-11	30	194	Law	City Attorney,Asst	58
Esterberg,Ela Frank	19-Jan-11	17	105	City Light	Envrnmntl Anlyst,Sr	65
Franklin,David T	19-Jan-11	10	102	DPD	Elevator Inspector,Chief	65
Gamet,Lester L	02-Feb-11	28	86	SDOT	Civil Engrng Spec,Assoc	63
Gates,Sara J	02-Feb-11	20	110	SPU	Info Technol Prof B-BU	63
High,Jana J	19-Jan-11	31	50	City Light	Warehouser,Sr	52
Hoff,Patricia L	14-Jan-11	25	68	Library	Library Assoc I	72
Humburgs,Christina L	01-Feb-11	32	333	SPU	Exec Asst,Sr	59
Hurtado,Michael S	10-Jan-11	17	96	Muni Ct	Muni Judge	62
Inman,Michelle S	02-Feb-11	31	80	Library	Asst Mgr-Library	63
Kapusinski,James P	02-Feb-11	29	32	SPU	StratAdvsr2, General Govt	60
Kurosu,Robert N	01-Feb-11	1	112	Vested	Portability	66
Labadie,John R	05-Jan-11	11	202	SPU	StratAdvsr1,Utills	65
Mamiya,Ron A	10-Jan-11	25	85	Muni Ct	Muni Judge	61
Mc Ialwain,Alana J	02-Feb-11	10	107	HSD	Human Svcs Prgm Supv	64
McArthur,Kay L	01-Feb-11	30	2	Police	Admin Spec II-BU	52
McFarland,Gregory E	02-Feb-11	31	201	SPU	Info Technol Prof B-BU	64
Miller,Patrick D	22-Jan-11	35	150	FAS	Manager 1, P&FM	64
Moore,Frank O	05-Jan-11	14	12	Muni Ct	Muni Court Marshal,Sr	67
Pearson,Mary L	02-Feb-11	27	98	FAS	Executive3	60
Perry,James R	07-Jan-11	28	353	Parks	Gardener,Sr	64
Pflug,Elizabeth C	02-Feb-11	25	66	Neighborhoods	Neighb District Coord	64
Rice,Molly	30-Jan-11	7	13	Vested	Portability	56

Retiree	RetireDt	Years	Days	DeptName	JOBTITLE	Age
Sell, Wayne B	07-Jan-11	35	179	Parks	Maint Laborer	70
Shimmel, Patricia L	29-Jan-11	8	340	Vested	Portability	61
Singh, Joytinder R	28-Jan-11	23	256	Seattle Center	Executive1	57
Smith, Ellinor M	11-Jan-11	12	306	Library	Librn	68
Stenzel, Bonnie M	07-Jan-11	20	118	SPU	Mgmt Sysst Anlyst, Sr	59
Talbot, C. Heather	19-Jan-11	26	282	City Light	Elctn-Con	65
Vale, Jack J	08-Jan-11	18	289	Police	Equip & Facilities Coord	65
Willhight, Katheryn A	02-Feb-11	27	192	SDOT	Personnel Spec	65
Williamson, Laurence	02-Feb-11	37	193	Library	Property & Procurement Ofcr	64
Willis, Sharla M	11-Jan-11	24	330	FAS	Carpenter	58

For the month of December: 12 new Members entered the System, 34 Members retired in the System, 18 Members died in the System (monthly reduction to pension payroll was \$19,946.48), 7 retirement continuations due to death of retiree, 2 retirement adjustments due to social security payments beginning (Option F reductions); 0 benefit pop-ups due to deceased beneficiary; 0 option B expiration; 1 C-option expirations; 2 retirements commenced due to death of an active employee; and 19 others terminated City employment.

Motion: Upon motion by Lou Walter, seconded by Bob Harvey, the Retirement Board approves the service retirements listed above, pending final review.

Ratification of Investment Transactions and Statement of Securities and Cash:

Information: Provided in the Retirement Board packet is the Investment Summary report that represents the transaction summary and the market value of the investments as of January 31, 2011. *(Attachment #2 – Board Only)*

REPORT NOT AVAILABLE AT THIS TIME – LATE REPORTING FROM CUSTODIAN

Motion: Upon motion by _____, seconded by _____, the Retirement Board accepts the Investment Summary report.

Investment Committee Report:

Information: The Investment Committee is scheduled to next meet at noon on March 31, 2011 in the Retirement Office.

Investment Activity Requiring Board Ratification and/or Recognition -

FEBRUARY 24, 2011 INVESTMENT COMMITTEE MEETING CANCELLED/POSTPONED – DUE TO EXPECTED “INCLEMENT” WEATHER

Executive Director Report:

2011 Trustee Election

- Update on process from Director
- Discussion on process and understandings of process by Board members

Updated Investment Policy - 2011

- Final Investment Policy with 2011 updates has been issued to Board members and updated to the SCERS web site.

Return to Work Policy & Statistics

- Discussion on the System’s return to work policy (temporary verses salaried) and a review of the Seattle Municipal Code
- Any indication of a rise in the trend will be brought to the Board’s attention

Board Retreat 2011

- It may prove beneficial for a Board retreat given the impact of recent events nationally
 - Items for consideration:
 - SCERS board only
 - SCERS board with IAC
 - SCERS board with other retirement boards
 - The Board indicated a preference for a retreat after the actuarial presentation with the Board only

Impact of Recent Rating Agency Inquiry Regarding SCERS

- Discussion with Board and Staff regarding rating agency’s analytical change with a keen emphasis on the pension plan(s).

2011 WMBE Department Goals

- Ms. Carter verbally updated the Board on the departments 2011 WMBE goals.
- SCERS will continue to monitor the use of qualified WMBE money management investment firms for its portfolio.

Old Business:

(1) Status of Benefit Enhancements

Information: The estimated current funding level of the Retirement Fund is *[not available]*% as of January 31, 2011

[awaiting completion of analysis due to late posting of January data by Custodian]

The above amount is an estimate calculated each month by the Retirement Office staff. As provided by Ordinance 120685, changes to the Floor COLA will occur once the funding level has reached at least 100% and has been confirmed by the Board after commissioning an actuarial valuation.

(2) **ON HOLD -- Items to Discuss – Tabled pending Asset / Liability Study**

- Investment Policy Guidelines
 - Real Estate
 - Hedge Funds
 - Alternative Assets

(3) **2010 Audit of Financial Statements**

- Process Update – *from Mike Akiyama*

New Business:

The Board reserves the right to enter into executive session if necessary

Executive Session:

- **The Board may enter into executive session to receive update on Personnel matters -**
 - The Board went into Executive Session at 10:20am for ten minutes. Carlton Seu, Esq. announced the session.

No actions were taken

- **The Board may enter into executive session to receive update from legal counsel on potential litigation**
 - The Board went into Executive Session at 10:33 am for 30 minutes. Carlton Seu, Esq. announced the session. At 11:00am Cecelia M. Carter announced an additional 20

minutes to the executive session. At 11:20am Carlton Seu announced another 10 minutes to the executive session.

No actions were taken

Adjournment:

Motion: Upon motion by Lou Walter, seconded by Glen Lee, the Retirement Board voted to adjourn the meeting at 11:35 a.m

Darwyn B. Anderson, Acting Director of Personnel